

May 1, 2023

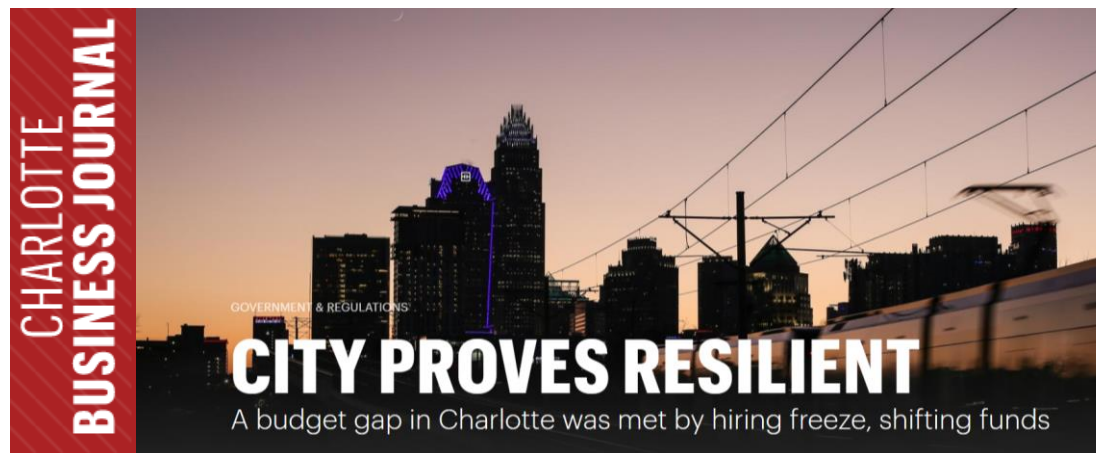
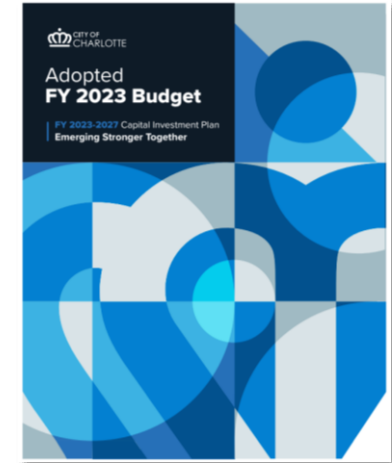
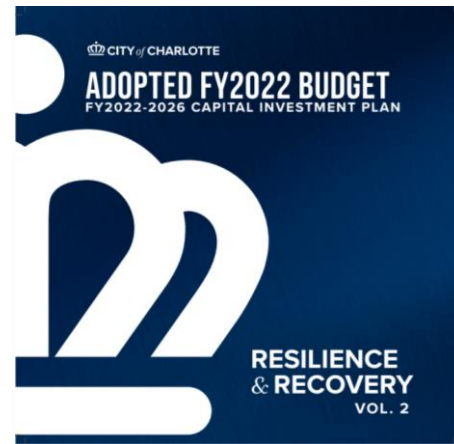
FY2024 – 2028
Capital Investment Plan

**PROPOSED
BUDGET**

Office of the City Manager



Moving Beyond COVID-19

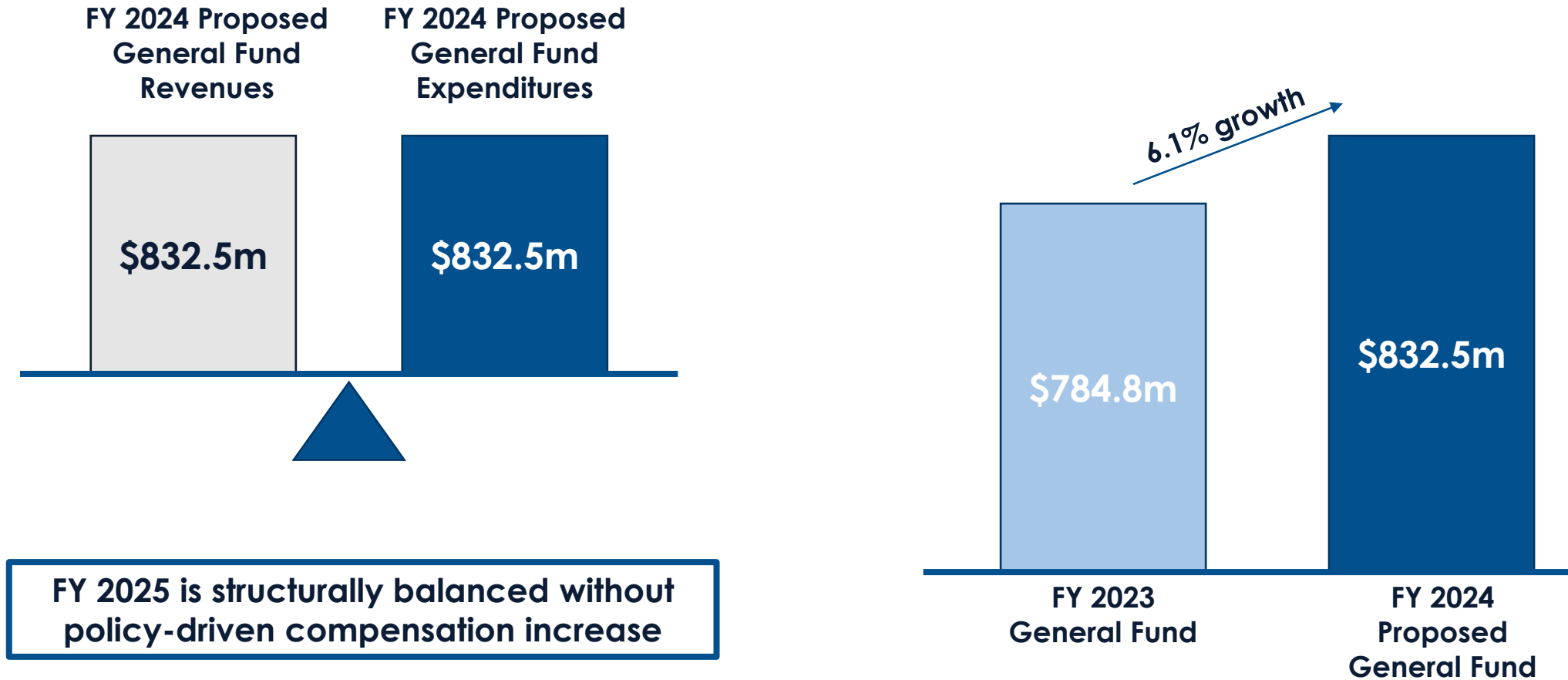


FY 2024 Proposed Budget - \$3.33b

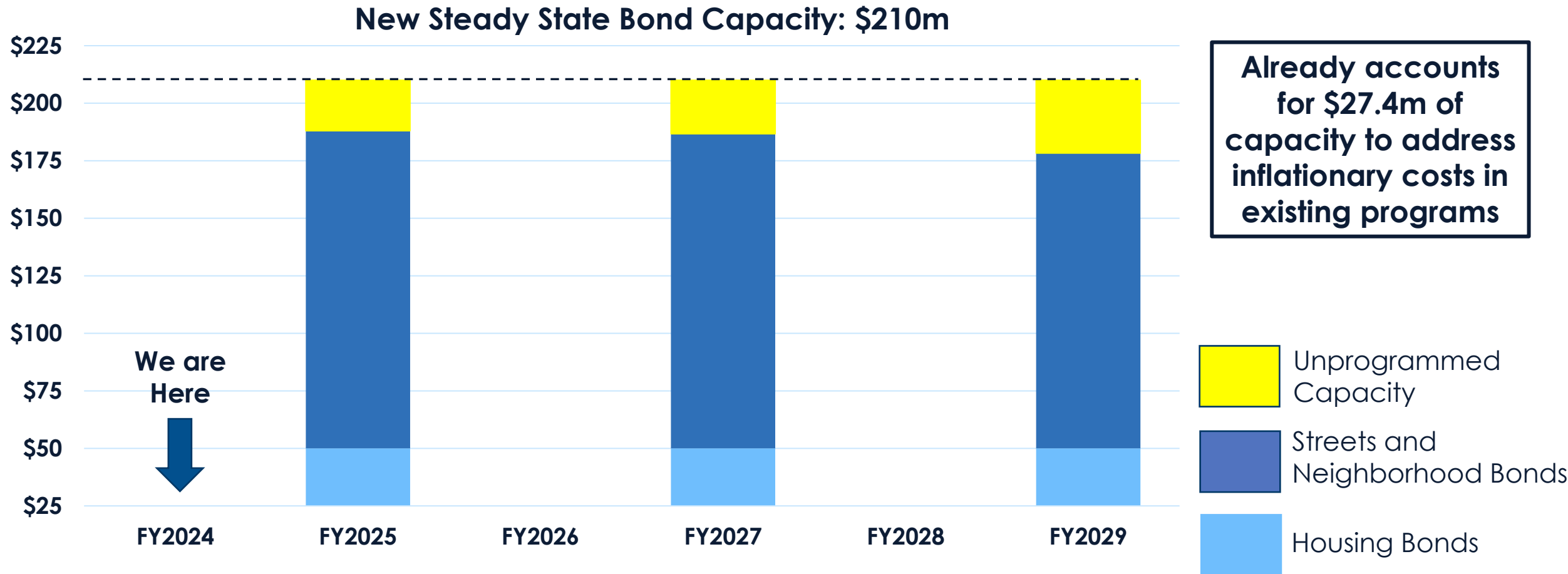


Proposed FY 2024 Budget (Net of Transfers)	
General Fund	832,500,000
Transfer to Other Funds	(64,607,029)
Sub-total General Fund	767,892,971
Aviation	885,260,879
Charlotte Area Transit System (CATS)	314,588,638
Charlotte Water	750,490,731
Storm Water	135,260,119
Sub-total Enterprise Funds	2,085,600,367
General Capital Investment Plan	129,186,909
General Capital Debt Service	64,183,712
Pay-As-You-Go Funds	2,277,613
Sub-Total Capital Investments	195,648,234
Debt Service - Nongeneral Funds	24,903,145
Special Revenue and Internal Service Funds	260,293,331
Total All Funds	3,334,338,048

Structurally Balanced Budget with a 2-year Lens



Maintaining Capital Affordability



Positively Impacting our Region and State

► Aviation

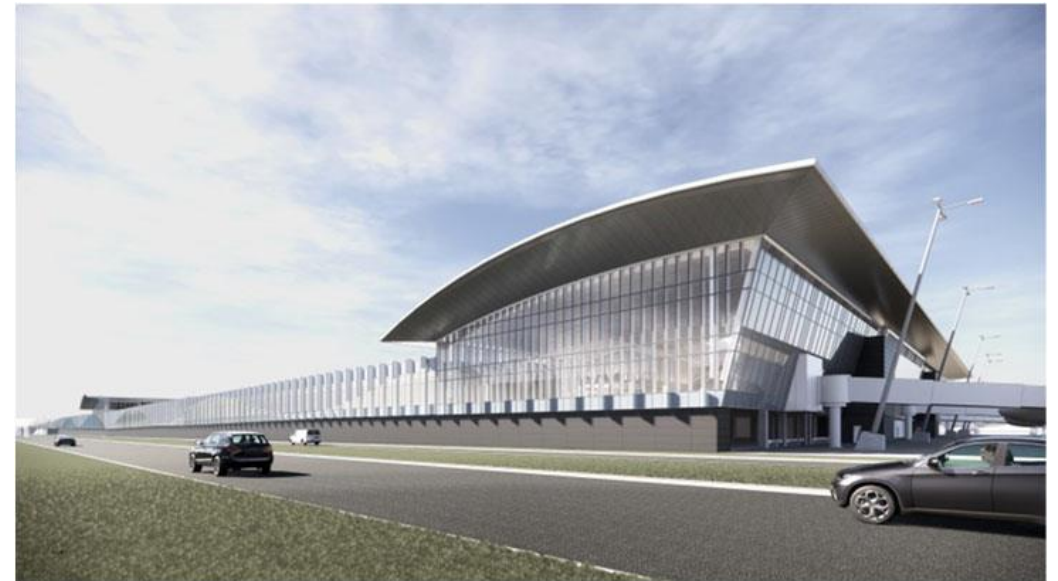
- 5% of State's GDP
- 6th busiest airport (passengers)
- Lowest cost per enplaned passenger (FY 2021)

► Water and Storm Water

- 83% increase in productivity since FY 2020 (Storm Water)
- \$260m invested in Corridors
- AAA credit rating

► Charlotte Area Transit

- State's only light rail system
- Moves over 12 million people annually





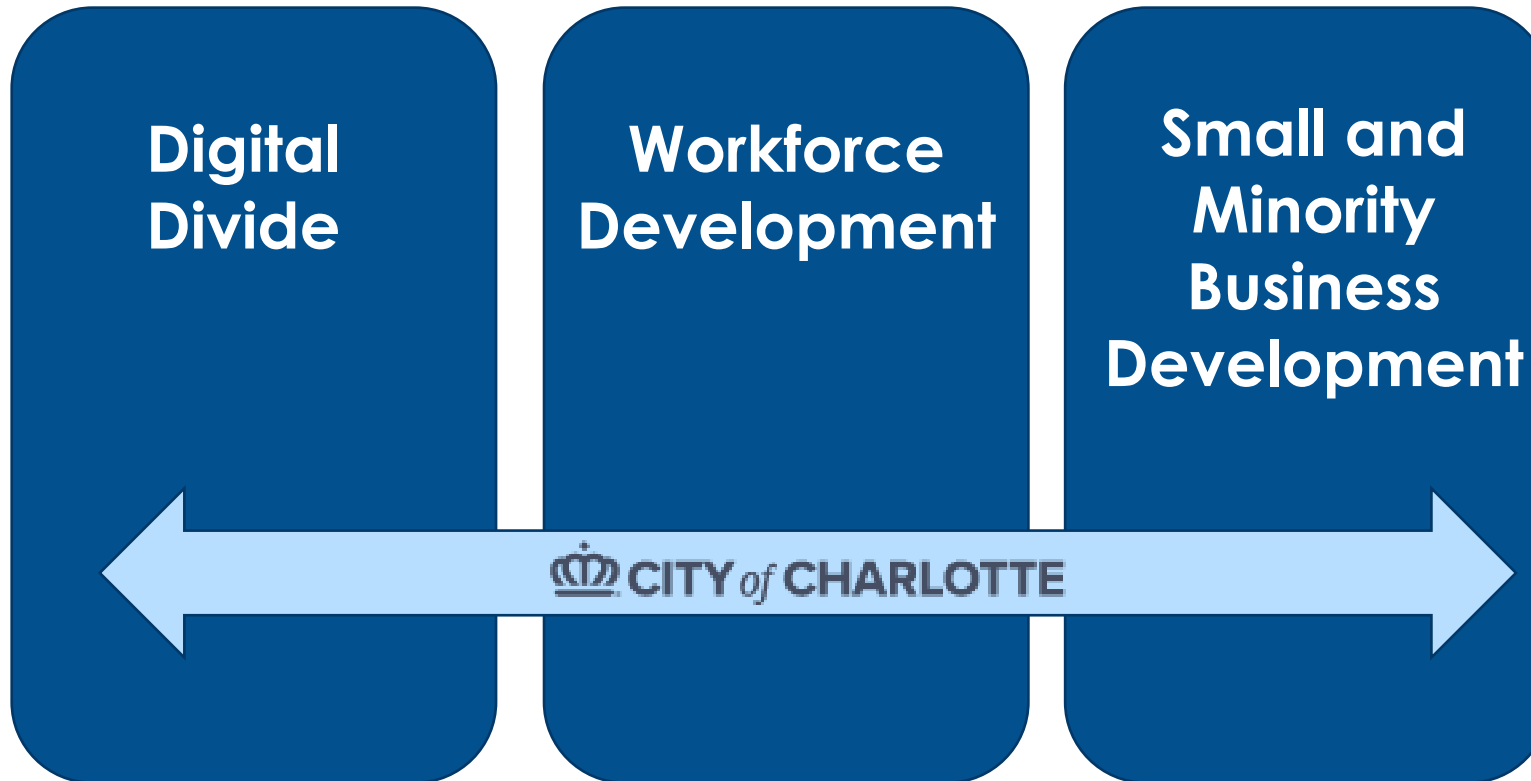
FY 2024 Budget Principles

- ▶ Focusing on Council Priorities
- ▶ Remaining a Well-Managed Government
- ▶ Investing in Employees
- ▶ Investing in Residents

Council Priorities and Key Initiatives

COUNCIL STRATEGIC PRIORITIES					
Great Neighborhoods		Safe Communities	Economic Development	Transportation and Planning	Well-Managed Government, focused on Equity, Engagement, and the Environment
KEY INITIATIVES	Affordable Housing				
	CLT 2040/UDO SEAP				
	Corridors of Opportunity SAFE Charlotte				
	Mobility				
	Hire Charlotte Arts & Culture Workforce Development				
	Small Business/Minority Business Development				
	Digital Divide				

Highlighting New Key Initiatives

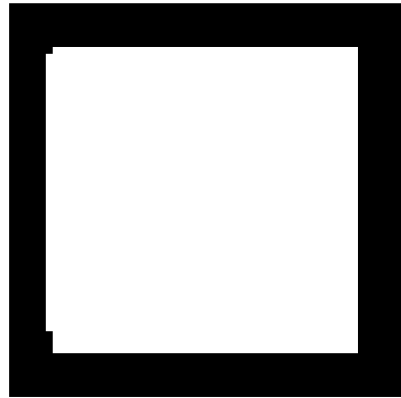


- ✓ Horizontal Collaboration
- ✓ Hands On and All-In Approach
- ✓ External Engagement



Focus on Council Priorities





Remaining a Well-Managed Government

Enhancing the Structure in our Organization...

Horizontal Integration

Communications
Innovation and Technology
Human Resources
Corridors of Opportunity

Managing Capital Projects

Created the Advanced Planning Program
Developed Steady State Affordability

Re-Organizations

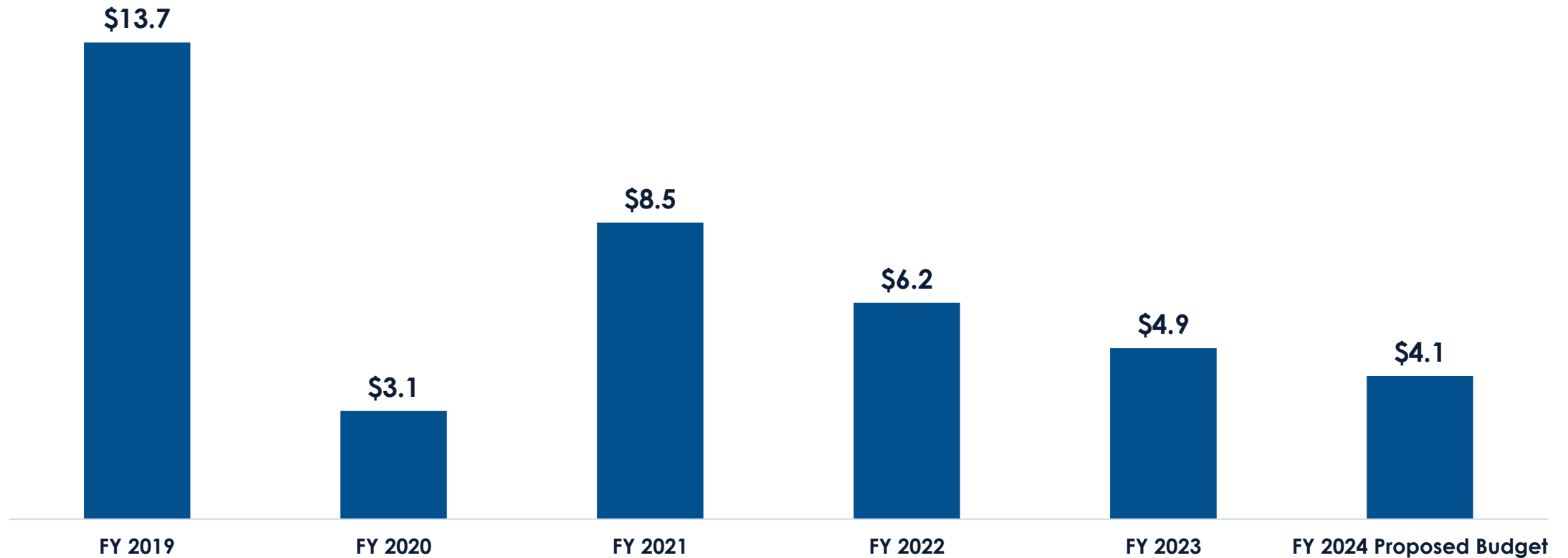
New department of General Services
Consolidated Water and Stormwater
Elevated Charlotte Business Inclusion

Sound Financial Management

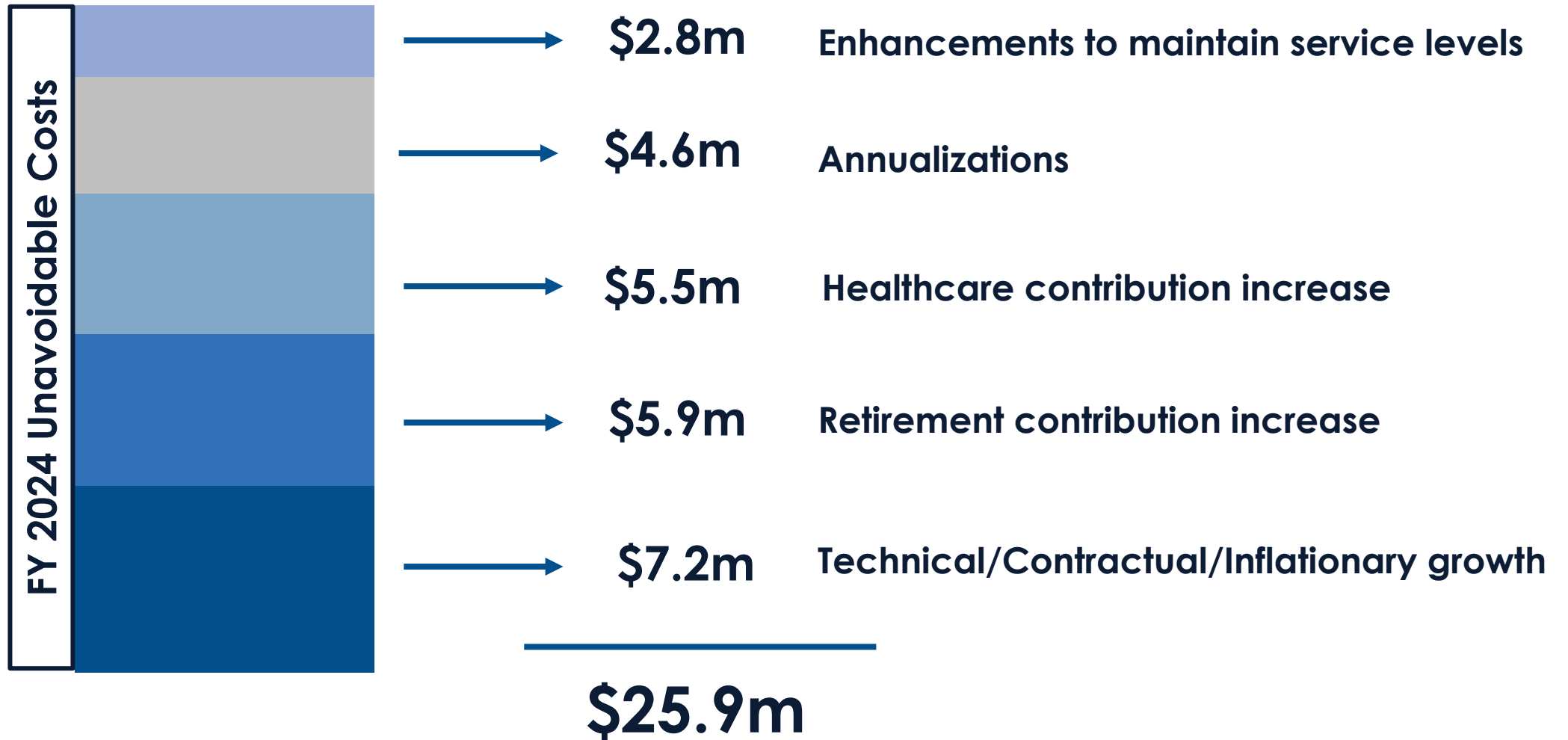
No use of reserves during COVID-19
45th consecutive year of AAA Bond rating
No property tax increase for 4 years

Analyzing our Accounts

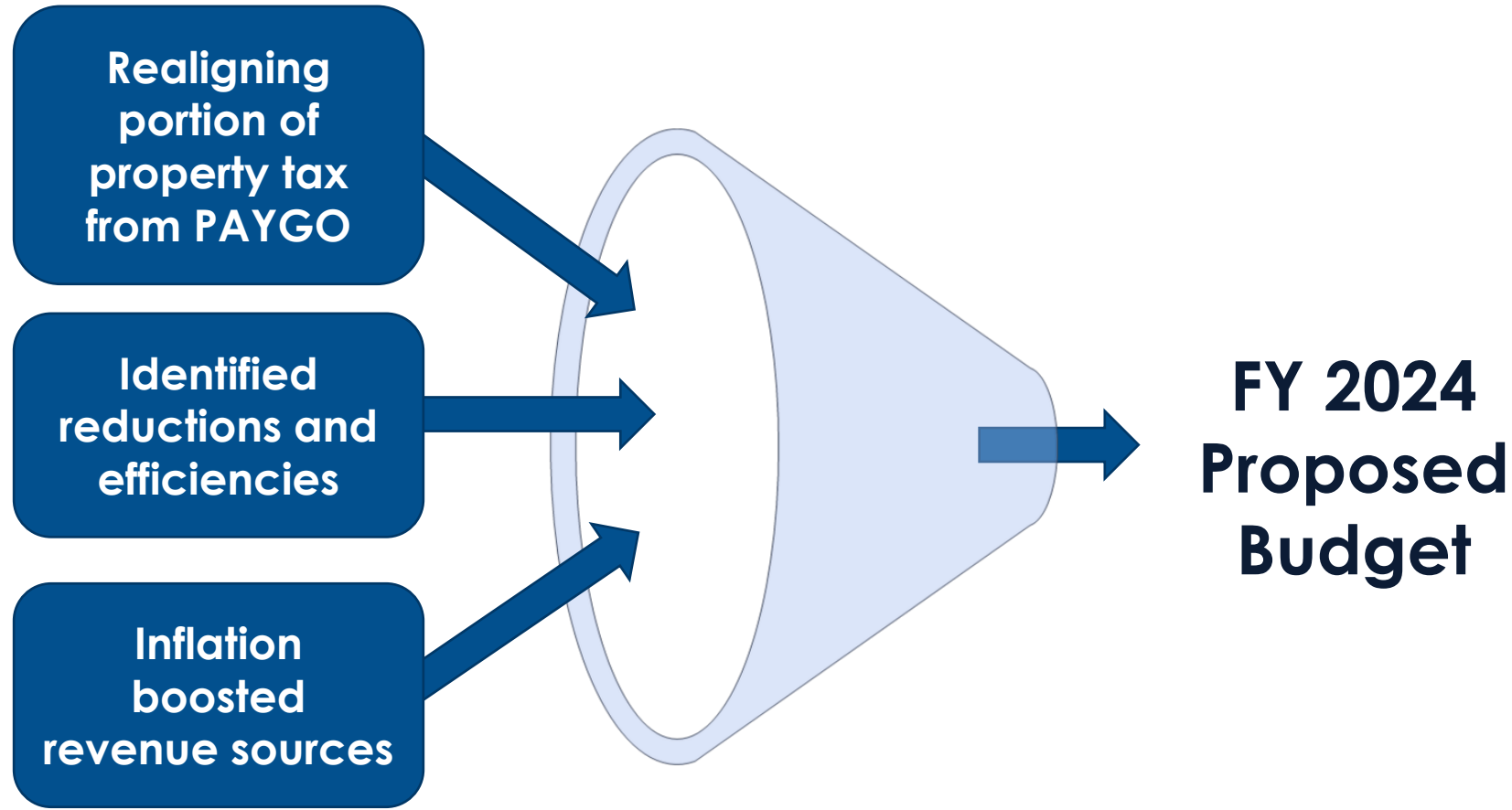
Savings Identified through Budget Process (\$ in millions)



Handling Unavoidable Costs



Managing Within Our Resources



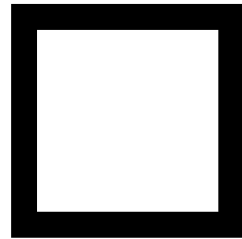


Remaining a Well-Managed Government

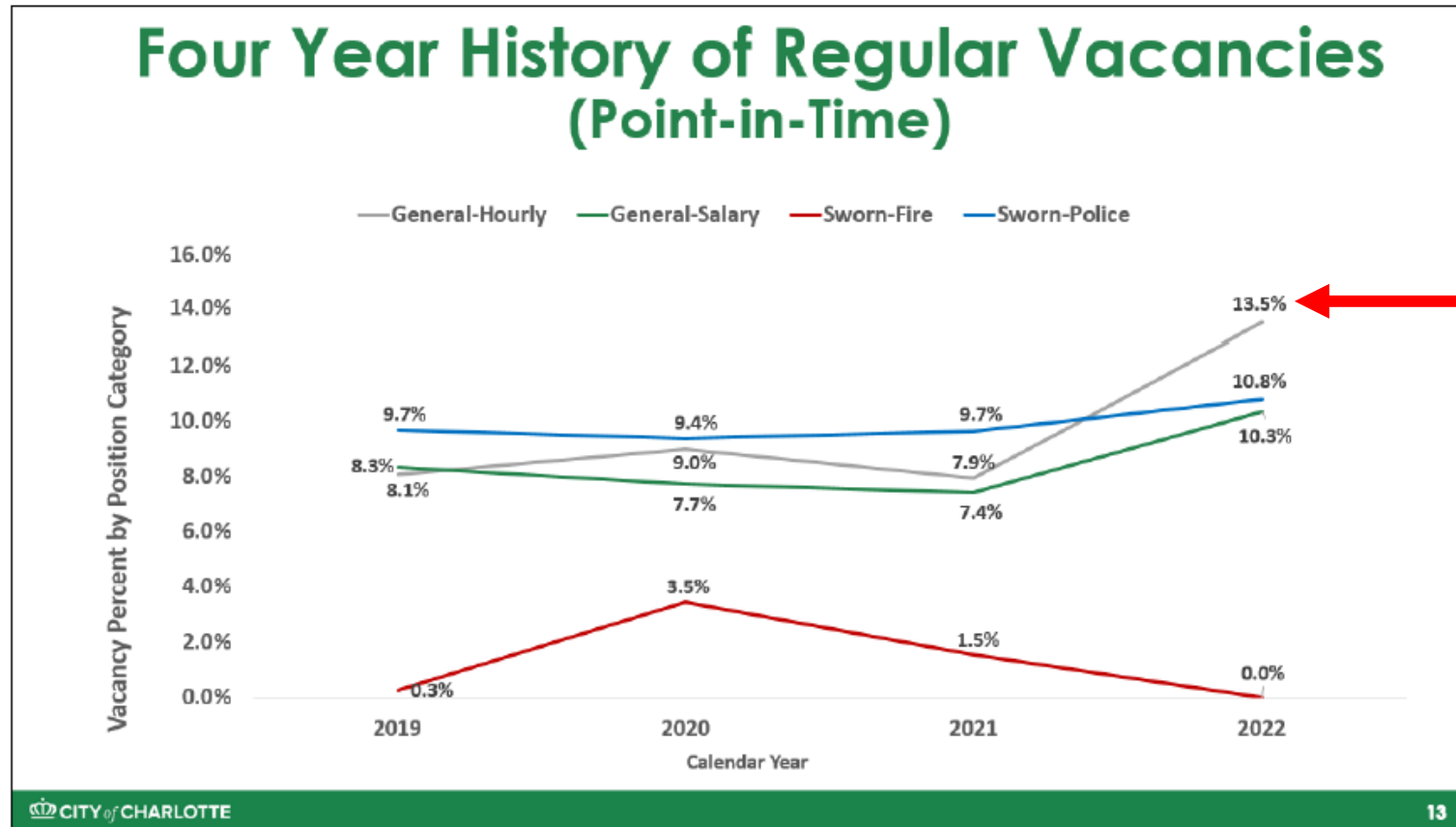
- ▶ **Addressing Long-Term Needs**
- ▶ **Maintaining Capital Affordability**
- ▶ **Managing within our Resources**



Investing in Employees



Areas of Concern in 2023



Increases in vacancy rate across nearly all pay plans

Focus was on hourly employees

Presented at the February 9, 2022 Council Budget Workshop.

Supported All Employees...

All Employees (FY 2023):

- ▶ More than typical salary increase for all pay plans
- ▶ Tuition pre-payment through CPCC
- ▶ \$2.0m for employee homeownership assistance
- ▶ Flexible work schedules (where applicable)
- ▶ 2% retention bonus (From ARPA)



...Focused on Hourly Employees in FY 2023

Hourly Employees (FY 2023):

- ▶ **8% increase (compared to typical 3% increase)**
 - 4% increase in July
 - 4% increase in January
- ▶ **Increased minimum salary to \$20/hour** for 40-hour employees
- ▶ **Added pay incentives**
 - Additional 2.5% for shift differential (includes Police)
 - Additional 2.5% for jobs that require CDL



Continuing the work with Hourly Employees

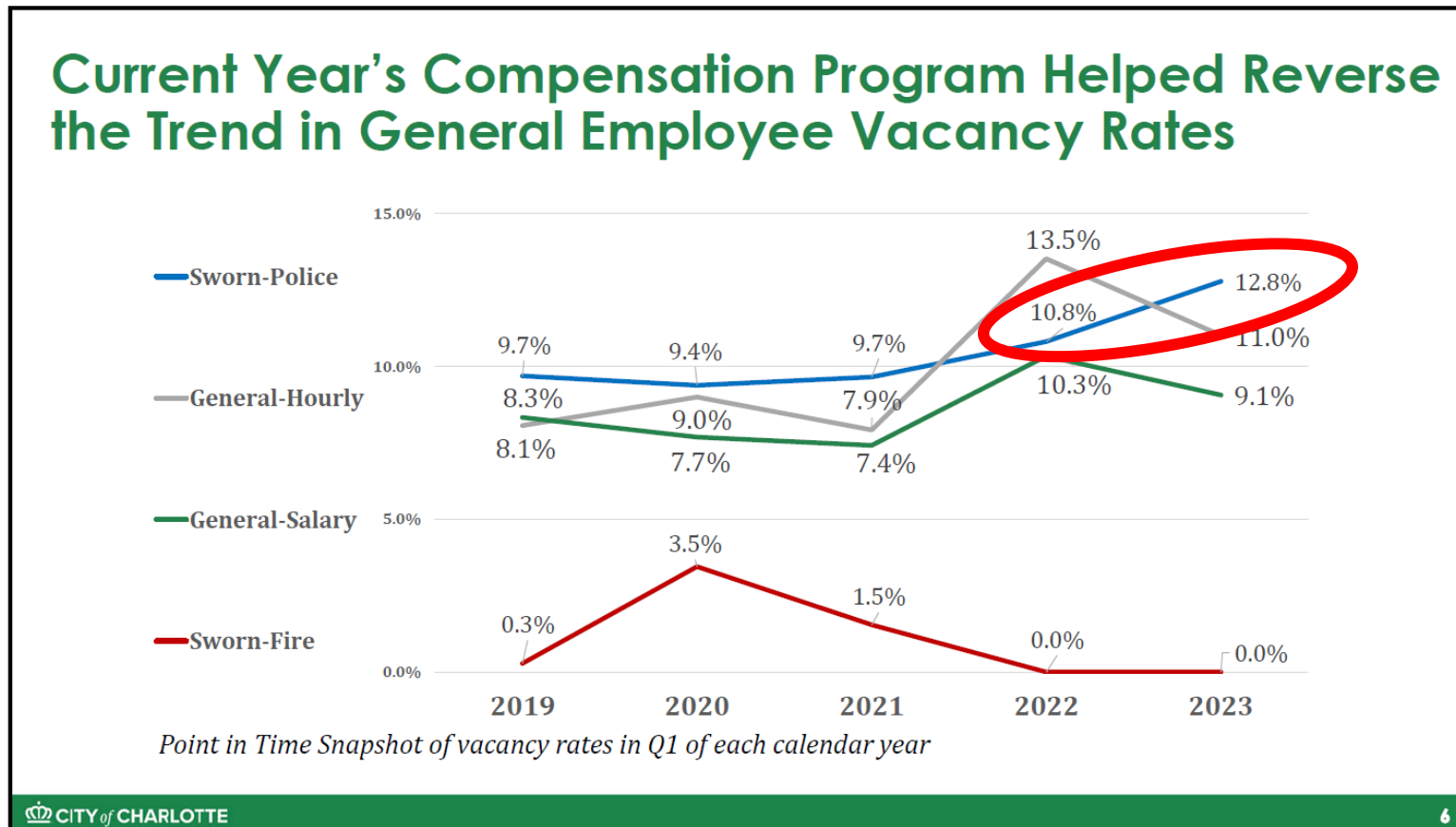
► FY 2024:

- 6% increase in FY 2024
 - 3% July
 - 3% January
 - 2x typical salary increase

14% increase over two years



Understanding FY 2024 Pressures

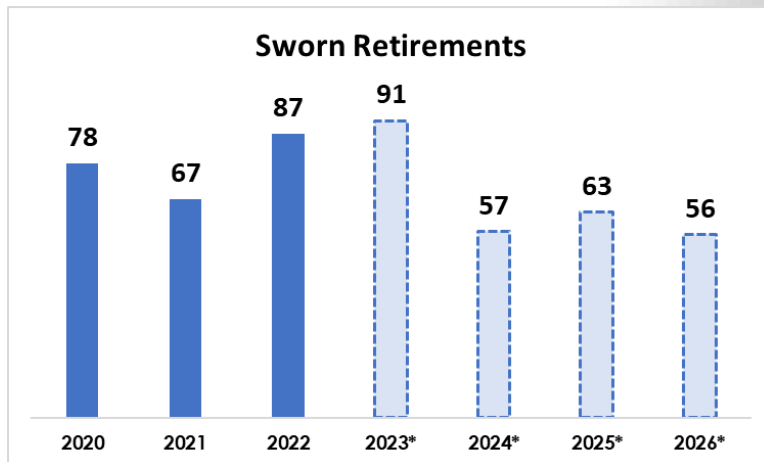


Previously Worked Multi-Year Plans with Public Safety



An Emphasis on Police Recruitment and Retention

- Peak retirement expected
Winter 2023-2024



*Calendar year projections

Police Pay Plan: Starting Pay and Retention

Eliminated first two Officer steps to **increase starting pay 10.5%**

Consolidated two Officer steps to **create a 10% step** to improve retention

New Starting officer pay:
\$62,911*

**With four-year degree*

Police Officer*	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	SPO I	SPO II	SPO III	SPO V
		5.0%	5.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%
Police Sergeant*	Step 1	Step 2	Step 3	Step 4	Step increase values do not include 3% market increase					
		2.5%	5.0%	5.0%						

Police Pay Plan: Top Pay and Veteran Officers

Add two top SPO steps to
increase top pay
10.5% by January

Police Officer*	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	SPO I	SPO II	SPO III	SPO V
		5.0%	5.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%
Police Sergeant*	Step 1	Step 2	Step 3	Step 4	Step increase values do not include 3% market increase					
		2.5%	5.0%	5.0%						

Effective September Effective January

New Top officer pay:
\$99,810*

**With four-year degree*

Eliminated first step and added new top Sergeant step to
increase starting pay by 10.5% and top pay 8%

Attracting and Retaining Officers

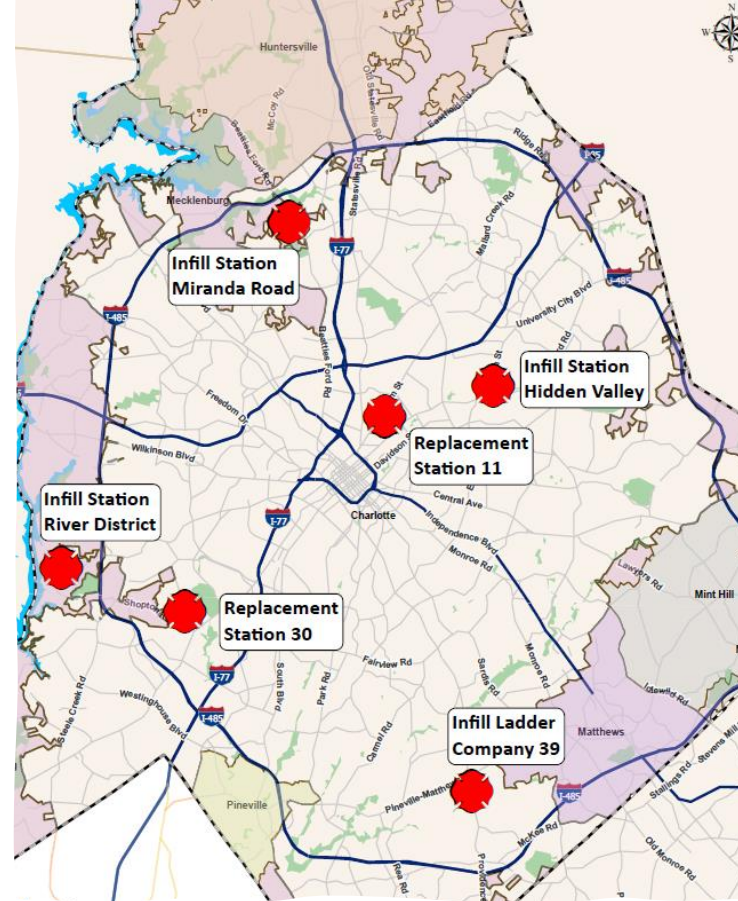
- ▶ At least 8% increase for all Officers and Sergeants
- ▶ 25 additional take home cars for veteran officers
- ▶ Allows recruitment of lateral officers up to \$84,116 (w/ four-year degree)
- ▶ Evaluate progress in FY 2024 to consider next steps



Investing in Fire

- ▶ 5.5-8% increases for all employees in the fire pay plan
- ▶ Adds 42 positions to establish two new companies and improve staffing
 - Engine company for temporary River District station
 - Additional Ladder Company in southeast Charlotte



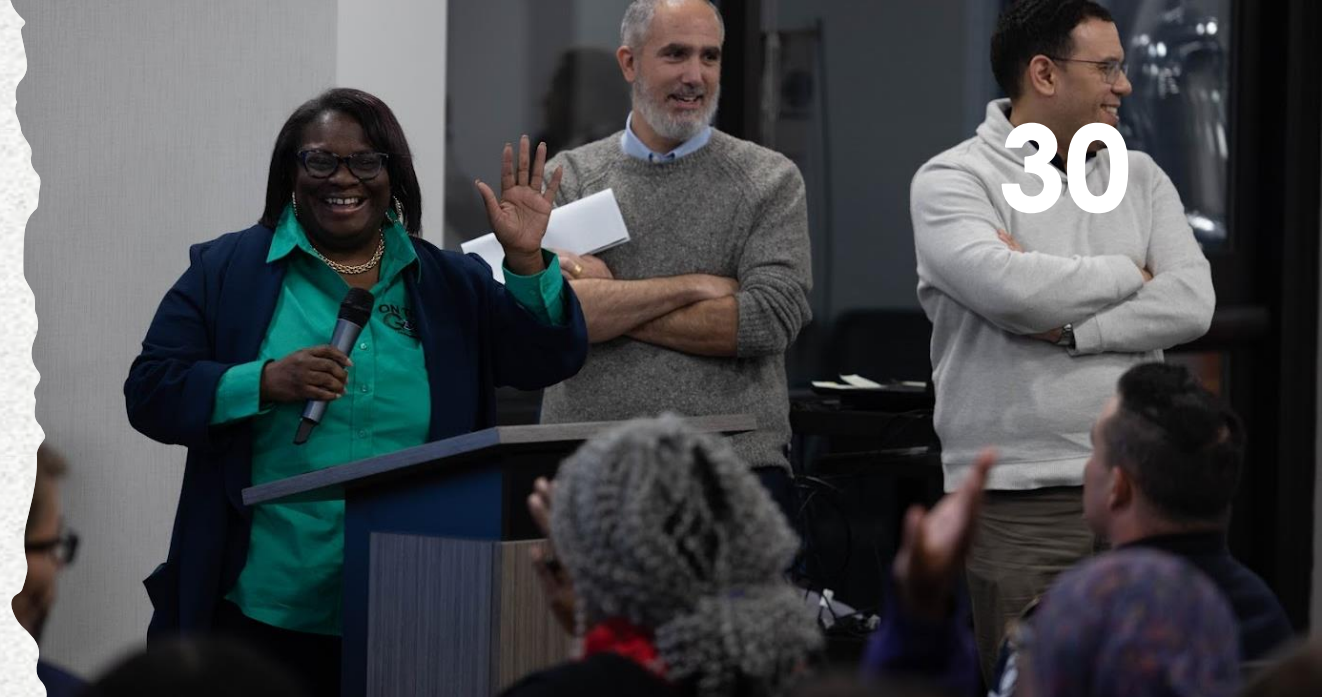


Building Fire Infrastructure

- ▶ \$79.5m in the next four years to expand fire infrastructure
- ▶ Includes city's first all-electric fire station (#30)

Supporting our Salaried Employees

- ▶ 4% salaried pay plan pool for salaried general employees
- ▶ Continue flexible work options



Implementing Our Philosophy for Upward Mobility

- **Remove barriers to upward mobility**
 - 160+ employees have taken advantage of prepayment at CPCC
 - Launched ACE Hub to centralize resources and provide proactive support
- **Provide customized support for employees**
 - 130 employees have worked with city's Career Coach
- **Proactively sharing services and meeting employees where they are**
 - Launched Career Blitz, Spring 2023



Welcome to the ACE hub with resources to help you advance, connect and explore at the City of Charlotte.

“Before this I felt demoralized and left out. I wanted something else, but I didn’t know what. Now I feel like I’m moving towards something and am supported” - Employee

The Career Exploration Blitz is Coming to a Site Near You



A photograph of three men, likely construction workers, standing in a large indoor space, possibly a warehouse or exhibition hall. They are wearing high-visibility yellow-green safety vests over dark clothing. The man on the left is wearing a striped knit beanie. The man in the middle is wearing a blue baseball cap. The man on the right is wearing a grey baseball cap and is holding a box. In the background, other people and structural elements of the building are visible.

Building on Momentum with Our Employees

► **Increasing 1 on 1 support:**

- Expanding career coaching through partnership with CPCC
- Additional dedicated internal Workforce Development position in Human Resources

► **Adding 29 Apprentice roles**

- + 15 Bus Maintenance Technicians in CATS
- +10 apprentices in Solid Waste
- + 4 mason apprentices in CDOT

► **100 apprentices and Career and Training Academy graduates still employed with the city**

► **Nearly 20 certified apprenticeships citywide**



Investing in Our Employees



Investing in Our Residents

It all Goes Back to Council Priorities

COUNCIL STRATEGIC PRIORITIES					
	Great Neighborhoods	Safe Communities	Economic Development	Transportation and Planning	
KEY INITIATIVES	Affordable Housing				Well-Managed Government, focused on Equity, Engagement, and the Environment
	CLT 2040/UDO SEAP				
	Corridors of Opportunity SAFE Charlotte				
	Mobility				
	Hire Charlotte Arts & Culture Workforce Development				
	Small Business/Minority Business Development				
	Digital Divide				

Supporting our Community Through COVID



\$201m (2/3) of COVID-19 Relief Funds allocated to our Community

Building on Community Conversations around Housing

 CITY of CHARLOTTE

FUTURE OF CHARLOTTE

HOUSING & JOBS SUMMIT



CHARLOTTE
CITY COUNCIL

JAN. 30-31, 2023

In FY 2023 We Established the Infrastructure to Reduce Displacement

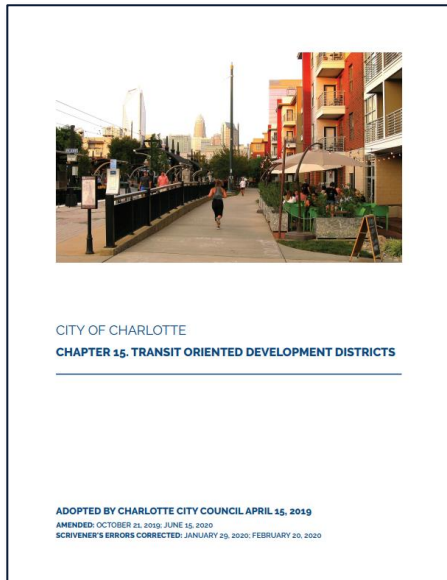


* Includes \$4.5m of previously allocated funds.

Policy Changes Create Resources for Housing

Transit Oriented Development Ordinance

Affordable Housing Development Bonus Program (2020)



- Voluntary bonus program to enhance development potential for projects that increase supply of low/moderate income housing units
- Fee-In-Lieu option established

\$4.7m available

+ \$8.7m in process

\$13.4m

for affordable housing

Unified Development Ordinance

Development Bonus



- Replaces the Affordable Housing Development Bonus Program on June 1, 2023
- Expands eligible zoning districts and options
- Updates standards

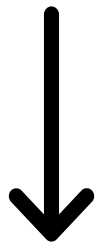
Continuing the Holistic Approach



Expected Anti-Displacement Strategy Summer 2023

Impact of Revaluation

Impact to General Fund



City's revenue neutral tax
rate: **26.04c**

*A decrease of 8.77c from FY
2023 (34.81c)*



Revenue neutral rate
=

No extra revenue for the
city beyond a typical year

Impact to Homeowners



Residential homeowners will
take on a higher share of
the city's tax burden due to
revaluation at revenue
neutral

Partnering with the County to Support our Residents

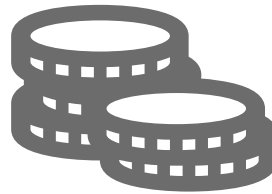
\$4.2m (ARPA)
for Mecklenburg County HOMES Program
in FY 2024



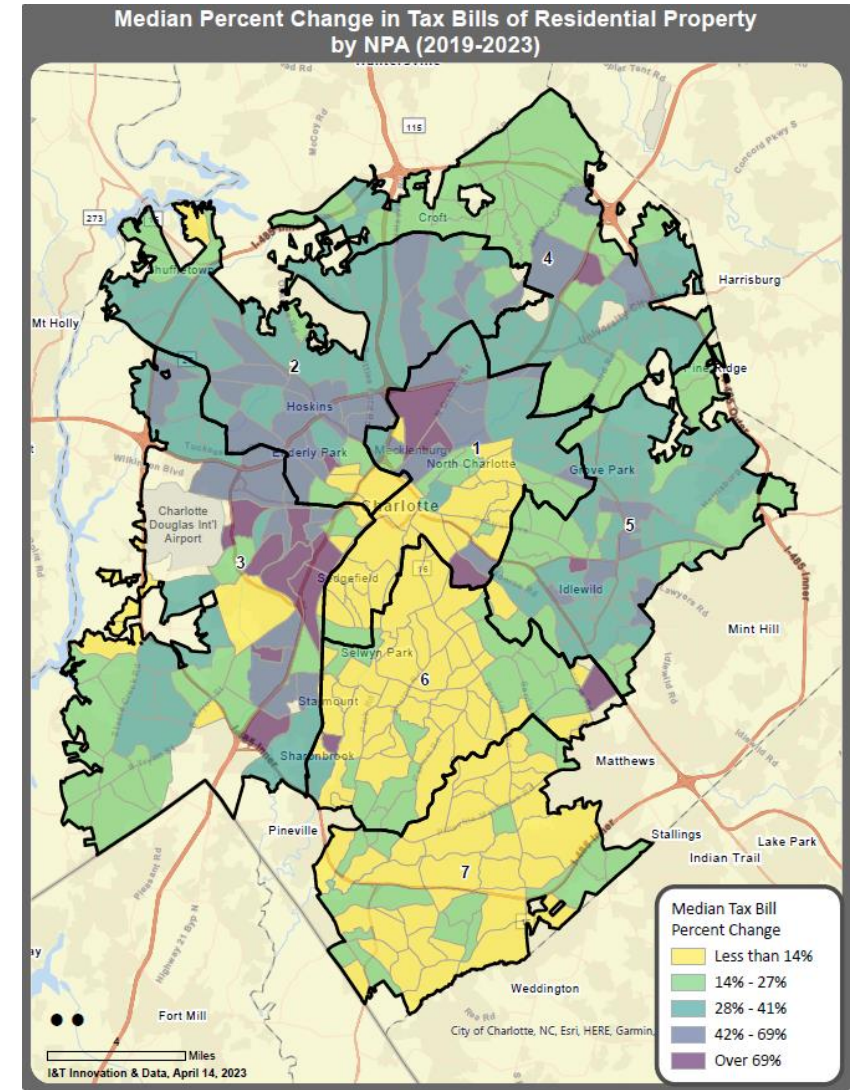
For homeowners
in their home at
least 3 years and
earning less than
80% AMI



Provides
assistance of 25%
of city tax bill
(up to median
home value)



Reduces bill
directly



Implementing The Corridors of Opportunity Framework



Our Investment Catalyzed Community Partners

Corridors Partners

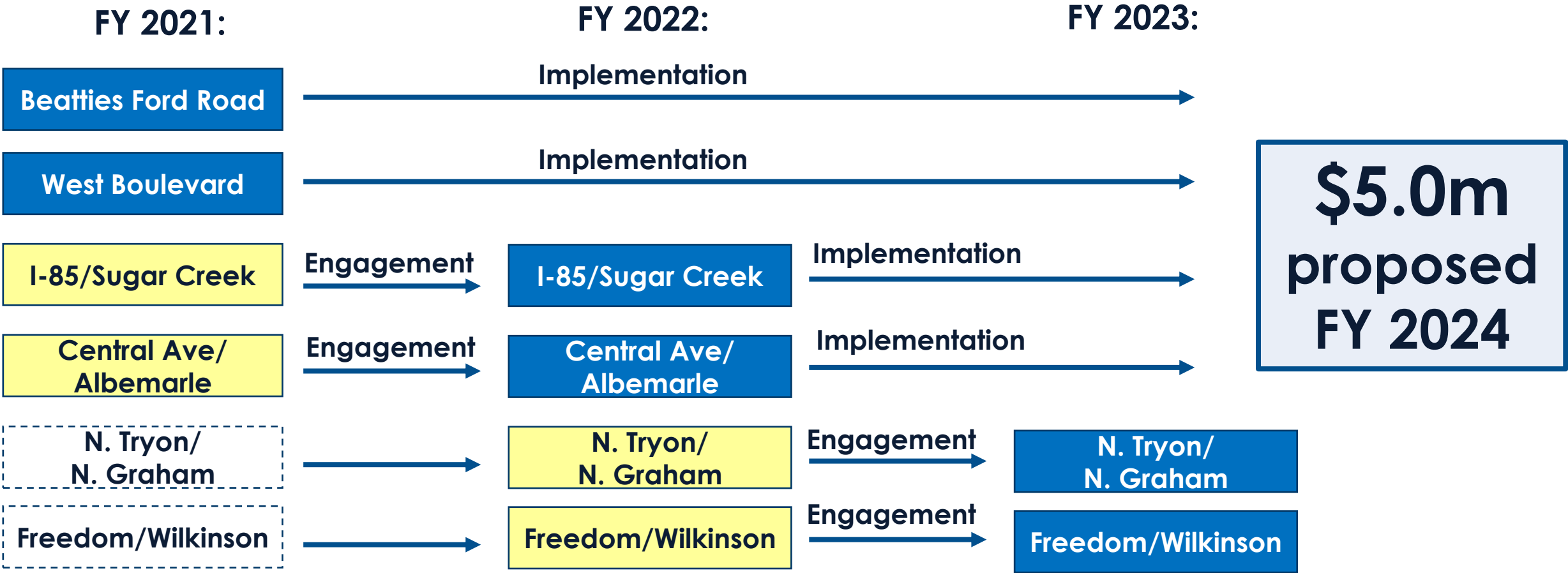
Total City
Investment:

\$68.3m*

Includes \$10m planned in FY 2025 CIP*



Following Through with Corridors

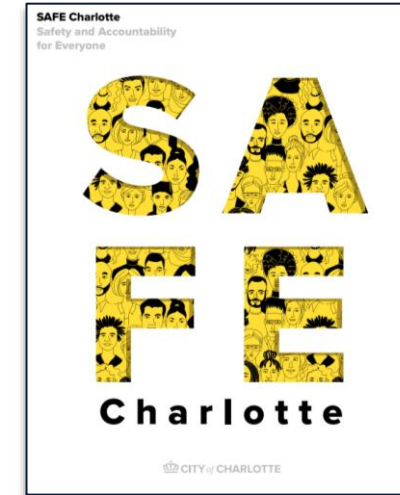


Three Years of SAFE Charlotte

- ▶ Recognized as a national leader in reimagining policing and violence prevention
- ▶ Continued collaboration between city, county, non-profit and business sector, and community



October 2020



Framework to Address Violence, March 2020

Purpose: City, County, Partners, and Community work together to reduce violence, increase economic opportunity, and build healthier, more resilient communities.

Intergovernmental Collaboration	Invest in Community-Led Efforts	Interrupt Violence	Community Collaboration in Priority Areas	Use Data and Evidence
PROGRAMS	POLICY		PRACTICE	

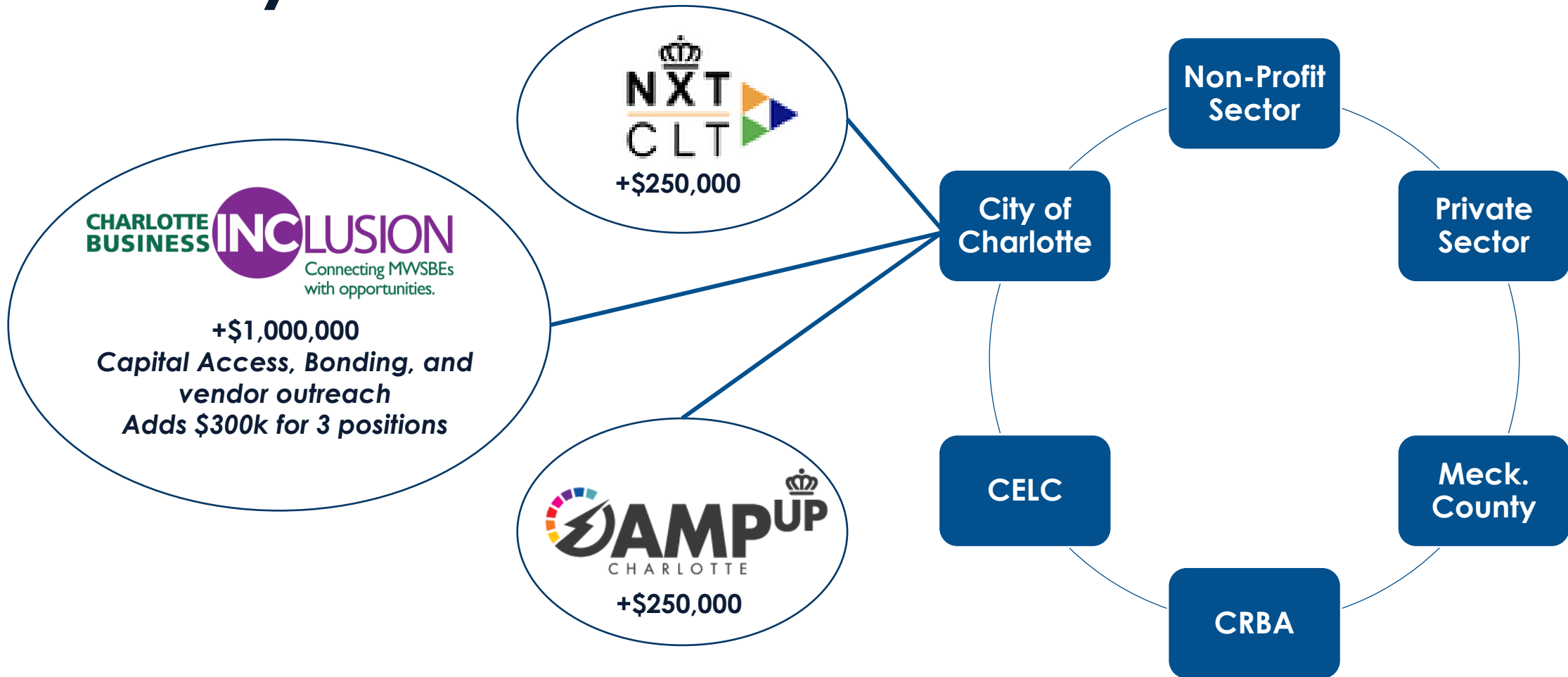
The Approach is Working



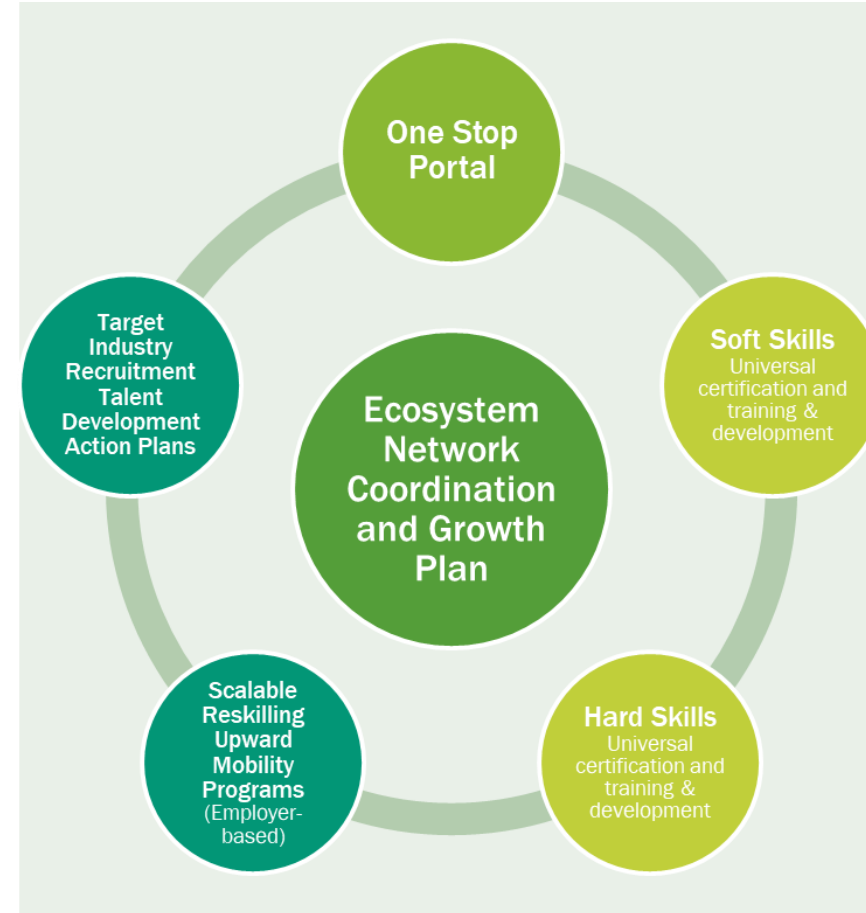
Individuals that have worked with the ATV program have acquired knowledge and skills and have exhibited behaviors that protect them from violence. These individuals have developed social and planning skills and competencies, have learned about needed resources in their community, have formed trusted relationships, have shown higher educational achievement and have applied non-violent approaches to conflict resolution.

The evaluation team found NPAs in the Beatties Ford community witnessed a **significantly lower rate of homicides committed with a firearm** compared to NPAs in the comparison group (those representative areas that did not have ATV) during the period after implementation of the ATV program.

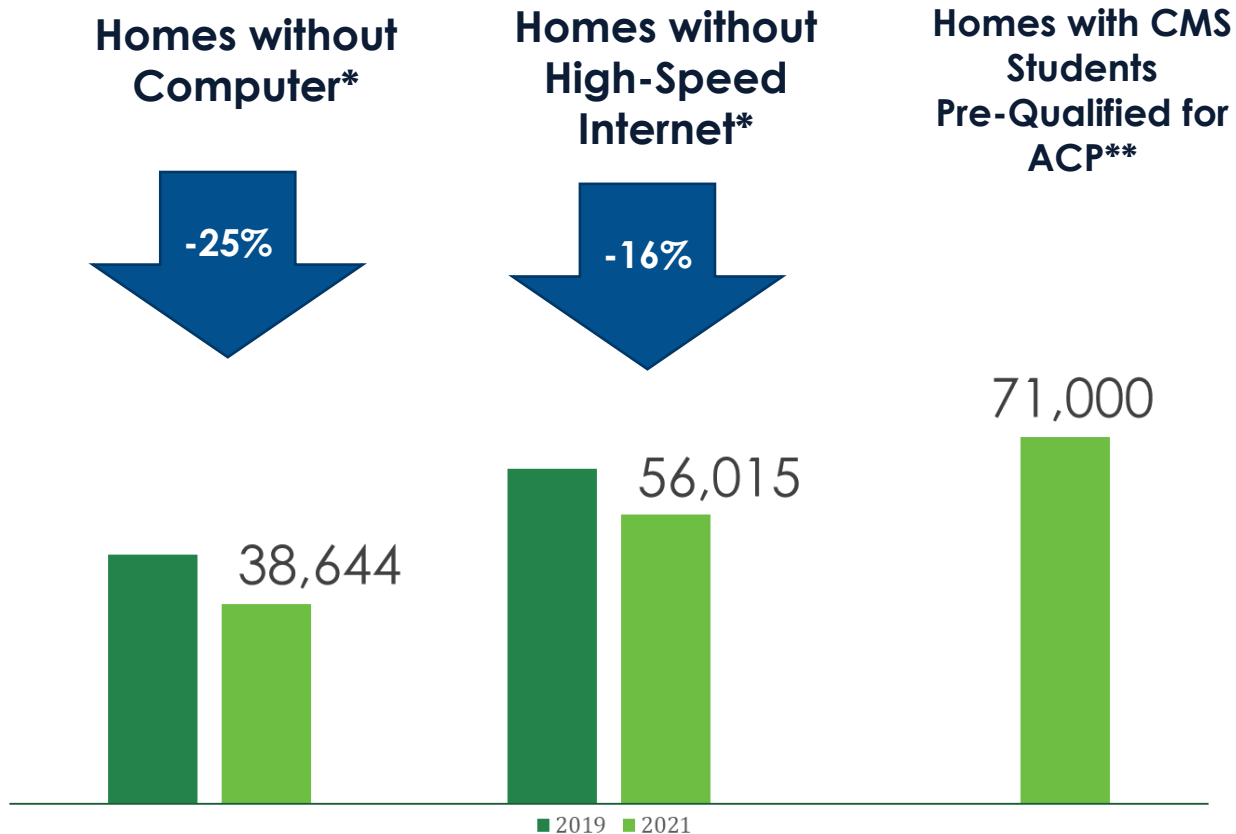
Enhancing the City's Role in the Small and Minority Business Ecosystem



Connecting Workforce Needs of Today while Planning for the Future



Closing the Digital Divide and Creating a Smart City



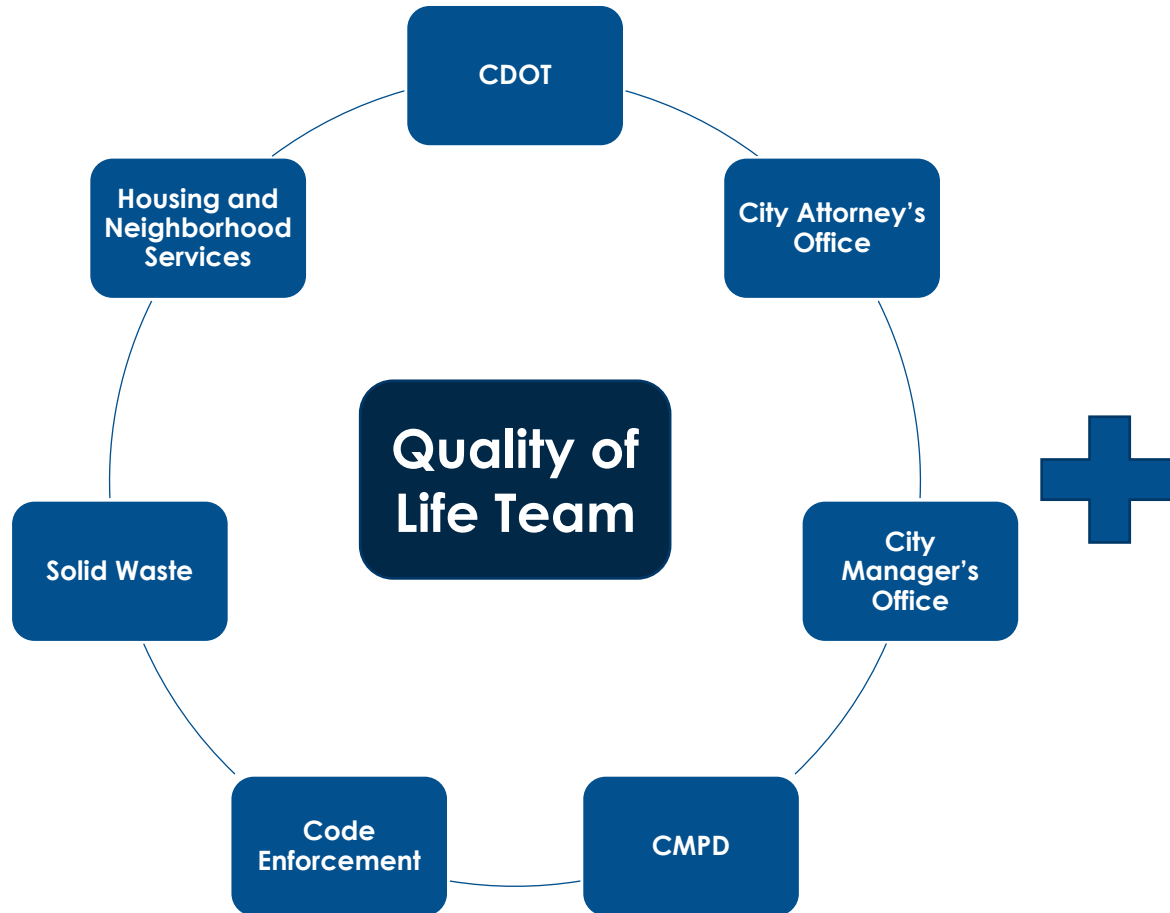
* U.S. Census Bureau 2021 ACS
** Charlotte-Mecklenburg Schools

- ✓ **Phase 1:** Access Charlotte (*Complete*)
- ▶ **Phase 2:** Continue Access Charlotte and Expand Collaborations (*On-going*)
- ▶ **Phase 3:** Future Connected Charlotte Programs
 - ▶ Workforce Preparation
 - ▶ Universal Platform
 - ▶ Support innovative technologies

+2 positions to continue digital divide and smart city work

Ensuring Quality of Life for our Residents

Leveraging Resources to Support our Neighborhoods



Established Quality of Life team

- Truck Parking
- Code Enforcement
- Litter

+4 Person Rapid-Response Codes Team

- Truck parking
- Parking in bike lanes
- Illegal signage
- Litter

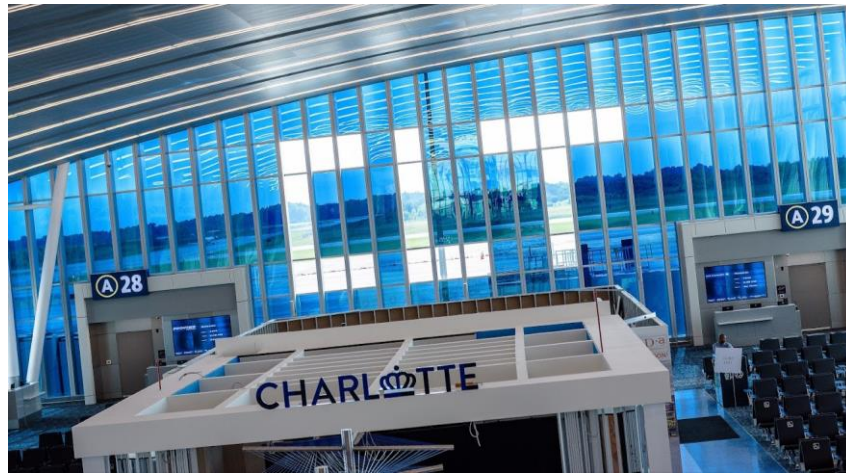
+1 litter crew through partnership with Center for Employment Opportunities

Future Consideration: Citation increase for illegal parking (trucks, bike lanes, streetcar/light rail tracks)

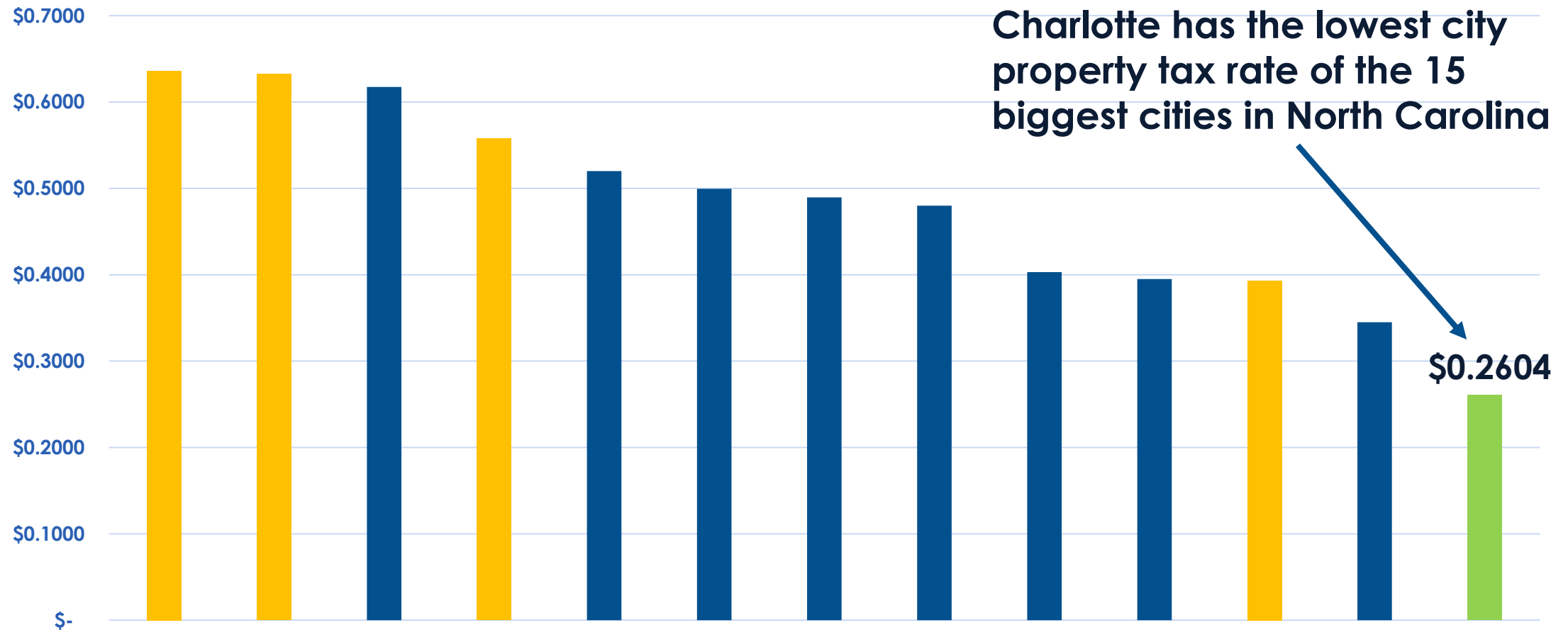


Increase in Fees to Maintain Service Levels...

	Typical User Monthly Fee	Monthly Increase
Solid Waste	\$7.89	\$0.72
Water	\$75.98	\$3.10
Storm Water	\$9.68	\$0.43
Total	\$93.55	\$4.25

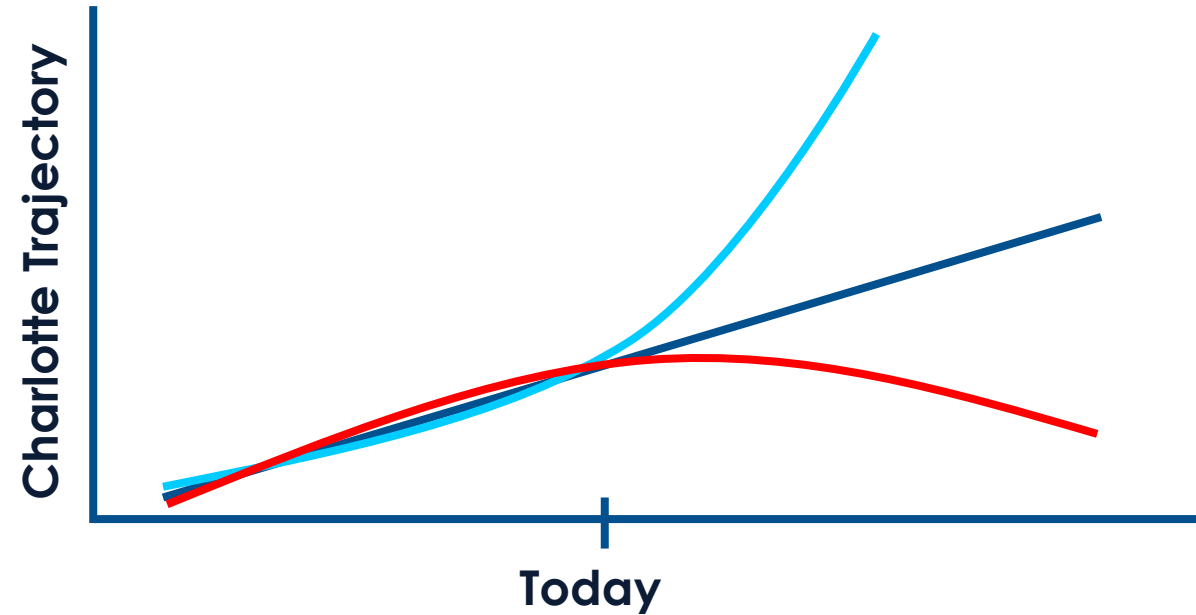


...But No Property Tax Increase

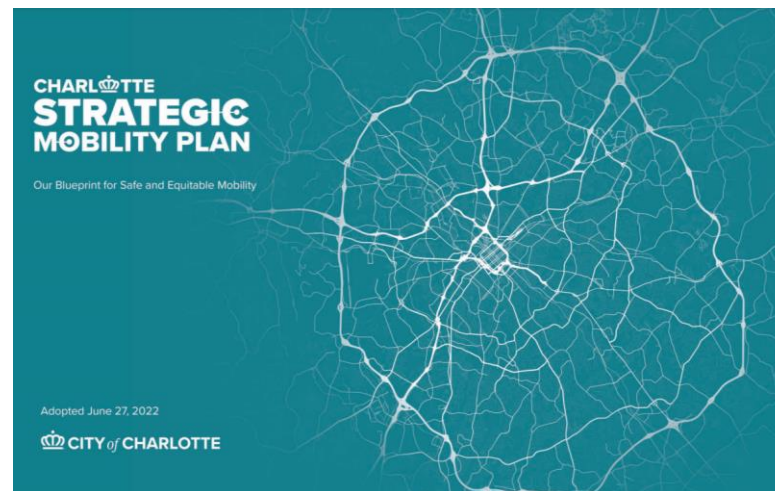
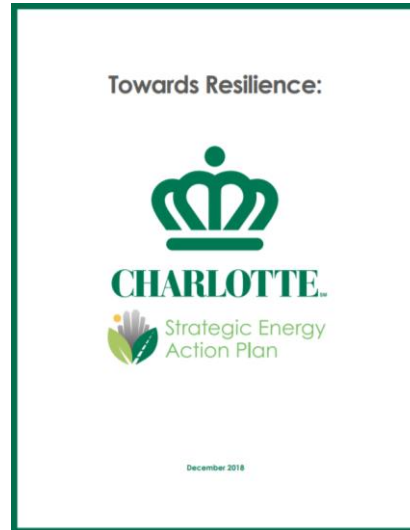


Cities over 75k population

We are at An Inflection Point for Our Community



Striving to Build a City for Everyone



MAKING ROOM FOR EVERYONE

As you prepare for the future, focus on:

- ☐ Unbending commitment to those who are here
- ☐ Leveraging investments for those coming, to help ensure all that live here can thrive
- ☐ Understanding who **key workers** are that will support the large growth areas

Next Steps

- ▶ **May 8 – Budget Public Hearing (@ Business Meeting)**
- ▶ **May 11 – Budget Adjustments (@ 1:30 p.m.)**
- ▶ **May 25 – Straw Votes (@ 1:30 p.m.)**
- ▶ **June 12 – Budget Adoption (@ Business Meeting)**

Comments on the FY 2024 Proposed Budget?

strategyandbudget@charlottenc.gov

Feedback to be shared with Council